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UNITED STATES DEPARTMENT OF AGRICULTURE
Commodity Stabilization Service

FACTS ABOUT THE 1960 PEANUT PROGRAM

FOR ASC COMMITTEEMEN

Marketing Quotas

The Agricultural Adjustment Act of 1938, as amended, provides that between July 1 and December 1 of each year the Secretary of Agriculture shall proclaim the amount of the national marketing quota, the normal yield per acre, and the national acreage allotment for the peanut crop to be produced in the next calendar year. The proclamation must be made each year regardless of the supply of peanuts.

In the event of a national emergency or a material increase in the export demand, however, the Secretary may increase or terminate quotas if this is necessary to make a normal supply available.

If growers have not already approved quotas for the year in question, the Secretary thereafter conducts a referendum of peanut growers -- not later than December 15 -- to determine whether such farmers favor or oppose marketing quotas on the next three crops.

If at least two-thirds of the farmers voting in the referendum favor the marketing quotas, no further referendum need be held on quotas for the second and third years of the period. If more than one-third of the farmers voting in the referendum oppose the quotas, no quotas will be in effect for the next peanut crop, but another referendum will be held the following year on quotas for the following three peanut crops. (See also page 2, What the Vote Will Determine.)

The Current Vote

Since the last peanut marketing quota referendum covered the 1957, 1958, and 1959 crops, a referendum must be held this year for the next three crop years. Therefore, on December 15, 1959, the Secretary will conduct a referendum to determine whether farmers approve or disapprove of marketing quotas for the crops to be produced in 1960, 1961, and 1962.

Farmers eligible to vote in the referendum are all those who engaged in the production of more than one acre of peanuts in the calendar year 1959.

Community referendum committees will be designated and convenient polling places set up in all peanut-producing areas. Public notice of

the date and places for voting will be announced and posted. The ballots cast in the referendum will be counted in public, and the count will be reported to the Secretary of Agriculture, who will officially proclaim the results of the referendum. These results must be announced within 30 days after the date of the vote.

* * *

The term "peanuts," as used in this publication, means peanuts that are picked and threshed. The provisions of the Agricultural Adjustment Act of 1938, as amended, do not apply to peanuts that are "hogged-off" or otherwise disposed of so that they cannot be used as peanuts. In administering the marketing quota program, it has been necessary to consider as "picked and threshed acreage" all acreages that are dug, unless the grower proves that the peanuts could not have been picked and threshed.

What the Vote Will Determine

If Marketing Quotas Are Approved

If two-thirds or more of the farmers voting in the referendum approve:

1. Marketing quotas will be in effect for the 1960, 1961, and 1962 crops of peanuts;
2. Marketing penalties will apply to peanuts produced in excess of the farm marketing quota;
3. Price support for the 1960 crop will be at a rate between 75 and 90 percent of parity, with the minimum depending upon the supply at the beginning of the marketing year.

For farms on which the 1960 peanut acreage is not greater than the allotment, all peanuts produced may be marketed without penalty. Also, all peanuts produced on the farm will be eligible for price support.

For farms on which the 1960 peanut acreage is larger than the allotment, all peanuts marketed from the farm will be subject to a marketing penalty. None of the peanuts produced on the farm will be eligible for price support. While the penalty rate will be 75 percent of the basic price-support level, the penalty rate to be applied to each

pound of peanuts marketed from the farm -- called the "converted penalty rate" -- will be based on the acreage in excess of the allotment.

Example: If a farm has an allotment of 8 acres and the farm peanut acreage is 10 acres, the percentage of the total acreage which would be excess would be 20 percent (2 acres excess divided by 10 acres total). If the support level happened to be 10 cents per pound, the basic penalty rate would be 7.5 cents per pound (75 percent of 10 cents). The "converted penalty rate" in this example would be 1.5 cents per pound (20 percent of 7.5 cents). This rate would apply to all peanuts marketed from the farm.

Marketing quotas do not apply to peanuts produced on a farm on which the harvested acreage is 1 acre or less if the persons who share in the peanuts produced on such farm do not share in peanuts produced on any other farm.

If Marketing Quotas Are Not Approved

If more than one-third of the farmers voting in the referendum disapprove:

1. Marketing quotas will not be in effect for the 1960 crop of peanuts;
2. Acreage allotments will continue in effect for the 1960 peanut crop as a means of determining price support;
3. The level of price support to those farmers who comply with their 1960 peanut acreage allotments will be 50 percent of parity as of the beginning of the marketing year.

Acreage Allotments

National and State

The national marketing quota is converted to a national acreage allotment by dividing the national quota by the normal yield of peanuts per acre for the United States. (The normal yield is based on the average yield per acre for the five preceding years, adjusted for

trends in yields and abnormal conditions of production.) The national acreage allotment, however, may not be less than 1,610,000 acres.

The Secretary then apportions the national acreage allotment among the peanut-producing States on the basis of the formula set out in the act.

Farm Allotments

The State acreage allotment is apportioned among farms in the State through farmer-elected county and community committeemen. If recommended by the ASC State committee and approved by the Secretary, the State allotment may be apportioned to counties and then to farms.

Farm allotments are based on the past acreage of peanuts, taking into consideration the acreage allotments previously established for the farm; abnormal conditions affecting acreage; land, labor and equipment available for the production of peanuts; crop-rotation practices; and soil and other physical factors affecting the production of peanuts.

The 1960 State allotment will be apportioned among farms on which peanuts were produced in 1957, 1958, or 1959 or on which unused acreage included in the farm allotment was preserved as provided by law. (Agricultural Adjustment Act of 1938, as amended, sec.377). A small reserve (not more than one percent of the national allotment) will be provided for farms on which peanuts were not produced in those years but will be produced in 1960.

Insofar as practicable, each farm operator will be notified in writing of his farm acreage allotment for 1960 prior to the date of the referendum.

Review of Farm Allotments

Any farmer who has reason to believe that the allotment for his farm has not been properly determined may apply for a review of the determination. Special review committees of producers are appointed by the Secretary of Agriculture to review such cases. Applications for review must be filed in writing within 15 days after the mailing date of the notice of the farm allotment and marketing quota.

If the farmer is dissatisfied with the determination of the review committee, he may have a Federal or State court review the determination.

Surrender of Allotments

Acreage allotted to individual farms may be surrendered to the county committee for 1 year or permanently for reapportionment to other farms in the county on the basis of specified factors. The peanut history for farms that release acreage for 1 year and for farms that receive acreage under this provision is not affected.

Measurement of Farms

The Secretary, through the county committees, provides for measurement or determination by other means of the acreage of peanuts on each farm.

Excess Acreage

Any acreage harvested in excess of the farm acreage allotment will not be considered in establishing the farm's future acreage allotments. If peanuts are not properly marketed or accounted for in accordance with regulations issued by the Secretary, the next allotment for the farm or farms involved in the violation will be reduced.

Exempt Farms

Quotas are not applicable to any farm (1) on which the acreage of peanuts harvested for nuts is 1 acre or less provided the persons who share in such peanuts do not share in peanuts produced on any other farm, or (2) where the peanuts were not picked or threshed either before or after marketing from the farm, or were marketed by the producer before drying or removal of moisture from such peanuts either by natural or artificial means for consumption exclusively as boiled peanuts.

Payment and Collection of Penalties

The marketing quota penalty on peanuts that are subject to penalty must be paid by the person who acquires the peanuts from the producer, and that person may deduct an amount equivalent to the penalty from the

price paid the producer. If the person required to collect the penalty fails to do so, he and all producers on the farm are jointly and severally liable for the amount of the penalty.

Records and Reports

Producers, handlers, buyers, and processors of peanuts are required to keep records and to make such reports of their production and transaction as the Secretary may require.

Increase of Allotments by Types

Whenever the Secretary determines that the supply of any type or types of peanuts is insufficient to meet the demand for cleaning and shelling purposes at prices at which the Commodity Credit Corporation may sell its stocks, he must increase State acreage allotments appropriately. However, no State allotment may be increased above the acreage harvested in the State in 1947.

Such an increase would be in addition to the national marketing quota and acreage allotment, and could not be included in computing future State, county, and farm acreage allotments.

The increase in the State allotment is apportioned to farms producing the type or types of peanuts on the basis of the average acreage devoted to such type or types of peanuts for the last 3 years.

Program Data

Peanuts were included among the so-called "basic" agricultural commodities to which marketing quotas and acreage allotments are applicable under authority of an amendment (April 3, 1941) to the Agricultural Adjustment Act of 1938. Following the proclamation of peanut marketing quotas for the 1941 crop, producers voting in a referendum approved quotas for the 3 years 1941, 1942, and 1943.

While the quotas were used for the 1941 and 1942 peanut crops, the wartime emergency -- accompanied by a general world shortage of fats and oils -- made termination of quotas for the 1943 crop of peanuts advisable.

Quotas were not again used for peanuts until 1949. Allotments and quotas were announced for the 1948 crop, but the Secretary suspended program operations because of the continuing shortage of foods and vegetable oils.

Beginning in 1949, then, marketing quotas and acreage allotments have been in effect for peanuts each year, following approval by growers in quota referendums. Results of previous votes on peanut marketing quotas were as follows:

Peanut Crop	Date of Referendum	Votes			Percent Yes
		Total	Yes	No	
1941) 1942) <u>1/</u> 1943)	Apr. 1941	73,850	64,462	9,388	87.3
<u>1/</u> 1948) 1949) 1950)	Dec. 1947	105,089	92,136	12,953	87.7
1951) 1952) 1953)	Dec. 1950	68,910	48,790	20,120	70.8
1954) 1955) 1956)	Dec. 1953	66,433	62,637	3,796	94.3
1957) 1958) 1959)	Dec. 1956	39,138	36,596	2,542	93.5

1/ Suspended.

The following table lists the amounts of the national marketing quotas, acreage allotments, the normal yield per acre, the basic penalty rate per pound, and the average price support available for peanut crops for each of the past 3 years.

Year	National Marketing Quota	National Acreage Allotment	Normal Yield Per Acre	Basic Penalty Rate Per Pound	Average Support Price Per Pound
	<u>Tons</u>	<u>Acres</u>	<u>Pounds</u>	<u>Cents</u>	<u>Cents</u>
1957	725,000	1,611,441	982	8.3	11.07
1958	826,000	1,612,388	1,006	8.0	10.66
1959	886,000	1,611,931	1,118	7.2	9.60

Acreages allotted to States for the last three crop years, 1957 through 1959 - the period covered by the last previous vote on marketing quotas, are shown on page 9.

PEANUTS: Total acreage allotted to States, crop years, 1957-1959

Area and State	1957	1958	1959
	Acres	Acres	Acres
<u>Virginia-Carolina area:</u>			
Virginia-----	105,840.2:	105,884.8:	105,750.0
North Carolina-----	169,235.0:	169,378.8:	169,145.0
Tennessee-----	3,740.2:	3,900.8:	3,803.2
Total-----	278,815.4:	279,164.4:	278,698.2
<u>Southeast area:</u>			
South Carolina-----	13,851.1:	13,863.8:	13,890.5
Georgia-----	527,852.6:	527,844.1:	528,503.9
Florida-----	55,457.0:	55,315.5:	55,336.4
Alabama-----	218,765.9:	218,911.7:	218,633.2
Mississippi-----	7,573.0:	7,579.4:	7,568.0
Total-----	823,499.6:	823,514.5:	823,932.0
<u>Southwest area:</u>			
Arkansas-----	4,275.3:	4,233.4:	4,227.0
Louisiana-----	1,967.0:	1,969.2:	1,966.0
Oklahoma-----	138,264.2:	138,227.5:	138,268.6
Texas-----	356,669.1:	356,661.0:	356,482.5
New Mexico-----	6,040.5:	6,702.9:	6,447.7
Total-----	507,216.1:	507,794.0:	507,391.8
<u>Other areas:</u>			
Arizona-----	718.3:	719.4:	718.0
California-----	942.0:	942.6:	941.0
Missouri-----	246.6:	247.1:	247.0
Total-----	1,906.9:	1,909.1:	1,906.0
Unused Reserve-----	3.0:	6.0:	3.0
United States-----	<u>1/</u> 1,611,441.0: <u>2/</u> 1,612,388.0: <u>3/</u> 1,611,931.0		

1/ The 1957 acreage allotment includes an increase of 1,441 acres for States producing Valencia type peanuts.

2/ The 1958 acreage allotment includes an increase of 2,388 acres for States producing Valencia type peanuts.

3/ The 1959 acreage allotment includes an increase of 1,931 acres for States producing Valencia type peanuts.

